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DEPARTMENT OF NATURAL RESOURCES

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Division Director

March 22, 2010

TO: File

THRU: Leslie Heppler

FROM: Paul Baker

SUBJECT: Division Directive and Bonding for Lot 26, Mountain Valley Stone, Browns Canyon Quarry, M/043/0019, Summit County, Utah

On March 11, 2010, the Division sent a directive to Mountain Valley Stone requiring that they amend the plan for the Browns Canyon Quarry and show that they no longer have right of entry for Lot 26. Today, I received a call from Brad Young with Mountain Valley Stone expressing the following concerns about the directive:

1. In 2008, the Division approved expansion of the surface operations into Lot 26 with the condition that the reclamation surety be increased to \$98,000.00 if a larger proposal was not approved by December 31, 2008. The operator currently has a surety of \$93,000.00. Mr. Young said the Division previously approved expansion into Lot 26 and that the approval included expansion into Lot 26. According to Mr. Young, the Division approved the reclamation surety of \$93,000.00 for the entire area. I have not yet verified that the Division actually gave this approval.
2. Although the surface owner has given the Division a written statement that Mountain Valley Stone does not have right of entry for Lot 26, Mr. Young said the right of entry situation is in dispute.

As a result of this telephone call, Mr. Young, rather than amending the mine plan, will send the Division a letter explaining Mountain Valley Stone's view on the right of entry. I told Mr. Young I would research the bond issue and whether expansion into Lot 26 is covered by the existing bond of \$93,000.00.

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